

TO: Workforce Investment Board

DATE: 3-28-02

**FROM: Planning, Policy Development
& Legislation Committee**

- For Action**
 For Information
 Meeting Notes

SUBJECT: Expanded Registered Nurse (RN) Training Program

PROPOSED MOTION(S): (1) The Board concurs with the expansion of the RN program for six (6) students each semester for a minimum of two years. (2) Direct staff to negotiate a cost per participant contract to assist the expansion not to exceed 13% of the training dollars and supportive services for a two-year period.

DISCUSSION: Merced College has proposed an expanded RN program:

1. Twenty-four (24) new students will be enrolled each semester, starting August 2002. Six (6) of the 24 will be WIA eligible and funded by the WIB.
2. By January 2004, ninety-six (96) students will be enrolled in the RN program. Twenty-four (24) will be supported by the WIB for a maximum of two years.

The expansion program is in addition to the current RN contract with Merced College. Twelve (12) WIA eligible students started in August 2001 for a two-year, four-semester RN program. They graduate June 2003. The contract cost is as follows: \$6,988 cost per participant; total cost per year \$83,856, (plus supportive services).

The proposed contract budget for the expansion program is \$594,834 (\$297,417 from the WIB and \$297,417 from other partner agencies (see attachment 4). This budget does not include supportive services dollars for WIA eligible students supported by the WIB. Some RN cross -reference students, supported by the College, have also been enrolled and provided supportive services by the One-Stop Operator (WIA/WIB dollars).

Attachment 1 outline outlines the College proposal for the WIB to provide \$297,417 for 24 students. Supportive services are also included, bringing the total cost to \$463,197. The projected training budget for the period June 2002 to July 2004 is \$1,990,000. The \$463,197 cost represents 23% of the projected training budget (June 2002 – July 2004).

Attachment 2 outlines the final year of the current RN contract. The \$244,081 includes contract costs and supportive services for 29 students (12 WIA supported by the WIB and 17 cross-referral students). The \$244,081 cost represents 25% of the projected training budget (June 2002 – July 2003).

Attachment 3 outlines the RN expansion program proposal by the College plus the current RN contract. The \$707,278 cost represents 36% of the projected training budget (June 2002 – July 2004).

Attachment 3 also outlines WIB staff recommendations for the expanded RN program. The \$267,780 cost represents 13% of the projected training budget (June 2002 – July 2004). The WIB staff recommendation (\$267,780) combined with the current 12 students in training (\$244,081) represents 26% of the projected training budget (June 2002 – July 2004).

The recommendation of 13% of the projected training budget falls short of the proposal submitted by Merced College. However, the WIB and staff will continue to seek out other avenues of funding in support of the RN contract. The WIA normal allocation can only go so far. There must be funds available to support other training programs for Adult and Dislocated Workers. If additional funds or performance becomes an issue, the WIB could reconsider at any time.

- ATTACHMENT(S):**
- 1. College RN Program**
 - 2. Current RN Contract**
 - 3. College RN Proposal/Current RN Contract/Staff Recommendation**
 - 4. Other Partners Contributions**

**Attachment 1
College RN Proposal
2002/2004**

Fall 2002 – 6 students	\$ 8,247	
Spring 2003 – 12 students		<u>88,768</u>
First year subtotal		\$ 97,015
Fall 2003 – 18 students	\$ 76,589	
Spring2004 – 24		<u>123,813</u>
Second ½ subtotal		<u>200,402</u>
Total Fall 2002 – Spring2004		\$297,417 *

* Does not include supportive services

**Supportive Services
Annual Average**

Books (2 semester x \$950 per semester)	\$ 1,900
Average Stipend	2,500
Average Supportive Services	<u>1,125</u>
	\$ 5,525 per year
	\$ 2,763 per semester
Supportive Services for 24 students For two years	\$165,780
Total Contract plus Supportive Services	\$463,197
Projected Training Budget 2002/2004 - \$1,990,000 =	23% of Training Budget

**Attachment 2
Current RN Contract
Aug 2002 – Jun 2003**

12 students @ \$6,988 per student per year	\$ 83,856
Supportive Services @ \$5,525 per student per year	<u>66,300</u>

Total	\$150,156
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Cross-Referral Students:

17 students @ \$5,525 per student per year	<u>\$ 93,925</u>
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Total Cost 2002/2003	\$244,081
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Projected Training Budget 2002/2004 - \$1,990,000;	
For 2002/2003 - \$995,000	25% of training budget

**Attachment 3
College RN Proposal
Plus
Current RN Contract**

RN Proposal plus Supportive Services	\$463,197
Current Contract plus Supportive Services	<u>244,081</u>
Total	\$707,278

36% of Training Budget

**WIB Staff Recommendation
Fall 2002 – Spring 2004**

Contract \$3,400 per student per year (\$1,700 per semester)

Fall 2002 – 6 students	\$ 10,200
Spring 2003 – 12 students	20,400
Fall 2003 – 18 students	30,600
Spring 204 – 24 students	<u>40,800</u>
Contract	\$102,000
Supportive Services	<u>165,780</u>
Total	\$267,780

**13% of Training Budget
(Committee initially recommended up to 20% of projected budget)**

WIB Staff Recommendation	\$267,780
Current Students in Training	<u>244,081</u>
Total	\$511,861

26% of Training Budget (June 2002 – July 2004)

**Attachment 4
Other Partners Contributions**

Merced College	\$158,000 (2 year grant from Chancellors' Office)
Mercy Hospital	142,273 (Staff equivalent)
County Health	5,000
Emanuel Hospital	10,000
Los Banos Memorial	<u>10,000</u>
Total	\$325,273 *

*** The College states \$27,856 would be carried over into the third year of the program to help defray the anticipated deficit of at least \$50,000 per year to fully fund the program.**